

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



August 5, 2004

ALL-COUNTY INFORMATION NOTICE NO. I-55-04

TO: COUNTY WELFARE DIRECTORS
FOOD STAMP COORDINATORS

REASON FOR THIS TRANSMITTAL

- ☐ State Law Change
- ☐ Federal Law or Regulation Change
- ☐ Court Order or Settlement Agreement
- ☐ Clarification Requested by One or More Counties
- ☒ Initiated by CDSS

SUBJECT: DESTRUCTION OF FOOD STAMP COUPON INVENTORY

At the end of June 2004, all California counties converted to an Electronic Benefit Transfer (EBT) issuance system for the Food Stamp Program. As such, the United States Department of Agriculture, Food and Nutrition Service (FNS) has authorized the counties to destroy their entire remaining coupon inventory. The Code of Federal Regulations (CFR), Title 7, Section 274 specifies the procedures that counties are to use when destroying food stamp coupon inventories.

To ensure compliance with federal and state regulations, all counties must adhere to the following procedures:

1. Perform a closeout audit as specified in 7 CFR (CFR) 274.9(b).
2. Conduct an actual count of the inventory as specified in 7 CFR 274.9(c).
3. Destroy the coupons as specified in 7 CFR 274.7(f) with an FNS witness if values greater than \$100,000 are involved.
4. Document the destruction on the Coupon Account and Destruction Report (FNS-471). On the Food Coupon Accountability Report (FNS-250), use Line 13 and the Remarks section on Line 18 to explain the unique situation.
5. Document the closeout on the FNS-250 by reporting the destroyed coupons on Line 13. (Credits To) and reporting the ZERO ending balance on Line 15. Indicate in the Remarks section at the bottom that this is the Final closeout of the FNS-250.
6. Inform the Region that this is the final FNS-250 report and that the coupon inventory has been closed.
7. If any coupons come in after closeout, destroy them and document on the FNS-471 and submit an FNS-471. No additional FNS-250 needs to be submitted after the closeout FNS-250.

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Documents pertinent to the final disposition of county food stamp coupon inventories are to be maintained by the county welfare director's office, and made readily available for review by federal and state agencies authorized to do so.

If you need any further assistance, please call or email Ms. Leanna Pace of my staff at (916) 654-3366 or Leanna.Pace@dss.ca.gov.

Sincerely,

RIGHTON YEE, Chief
Food Stamp Branch

C: Ms. Connie Ching, FNS
Ms. Pat Cruise, FNS